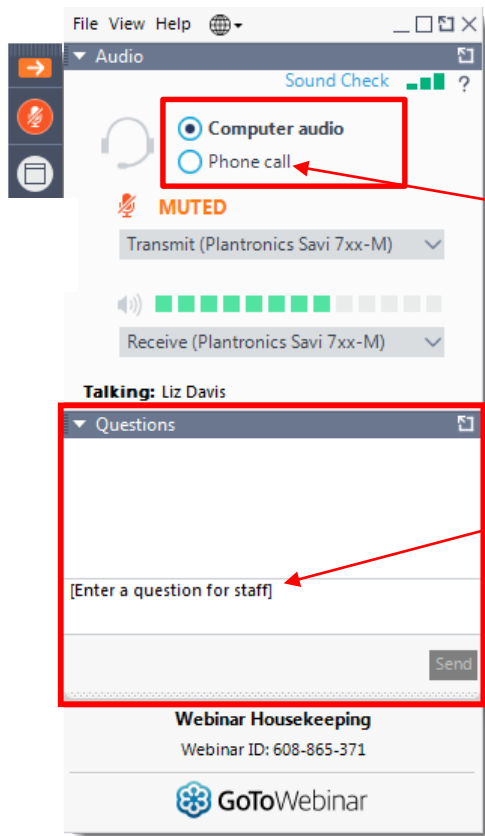


ASX CHESSE Replacement Project Webinar

Q4 update

14 December 2017

Audio Trouble Shooting & Reminder to Submit Questions



Your Participation

- Having trouble hearing via Computer Audio? Switch to Phone call!
- Refer to your registration and / or reminder email for dial in details
- To submit your text questions and comments use the Questions panel
- For more information - refer to the webinar tips published on the ASX [CHES Replacement web page](#)

Presenters and introductions



Cliff Richards

Executive General
Manager,
Equity Post Trade
Services
ASX



Keith Purdie

Senior Manager,
Equity Post Trade
Services
ASX



Karen Webb

Senior Manager,
Equity Post Trade
Services
ASX

Agenda

Project overview

Stakeholder engagement

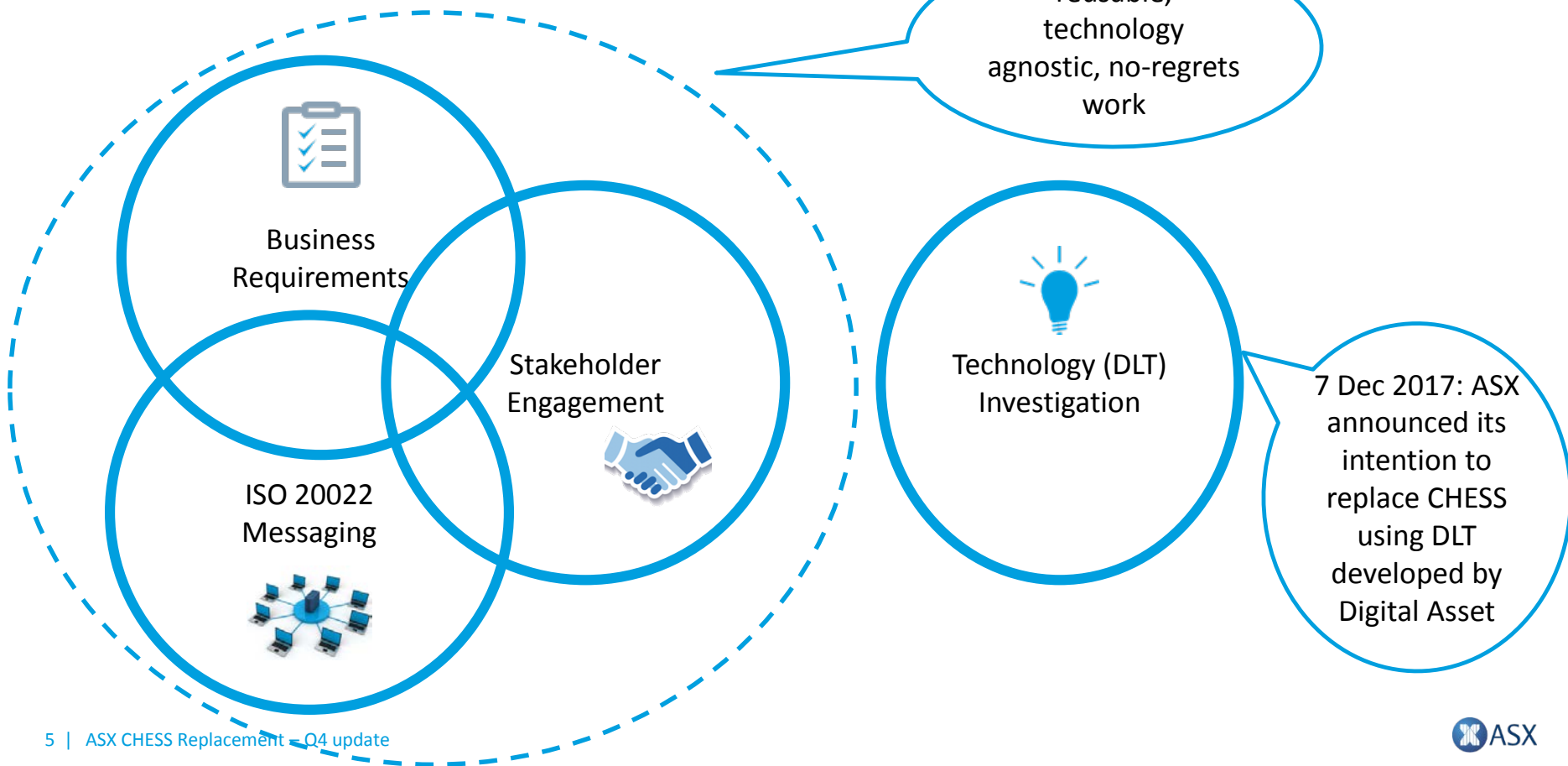
ISO 20022 messaging

Distributed Ledger Technology decision

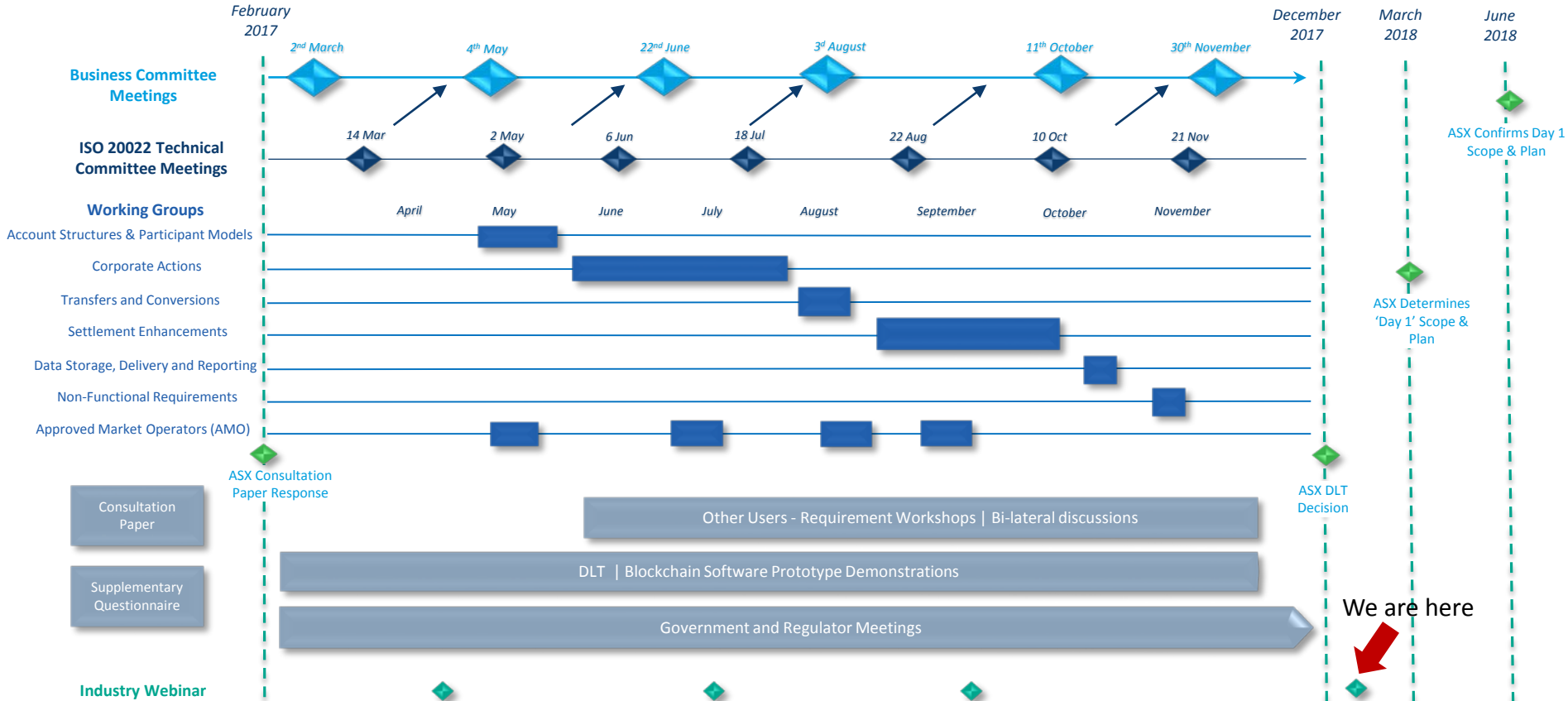
Q&A

Next steps

Recap on how we've structured the work...



Stakeholder engagement plan



Stakeholder Engagement

The 6 Working Groups Overview – Business Requirement Topics

2 Account Structures and Participation Models

15 Corporate Actions

4 Transfers and Conversions

15 Settlement Enhancements

4 Data Storage, Delivery and Reporting

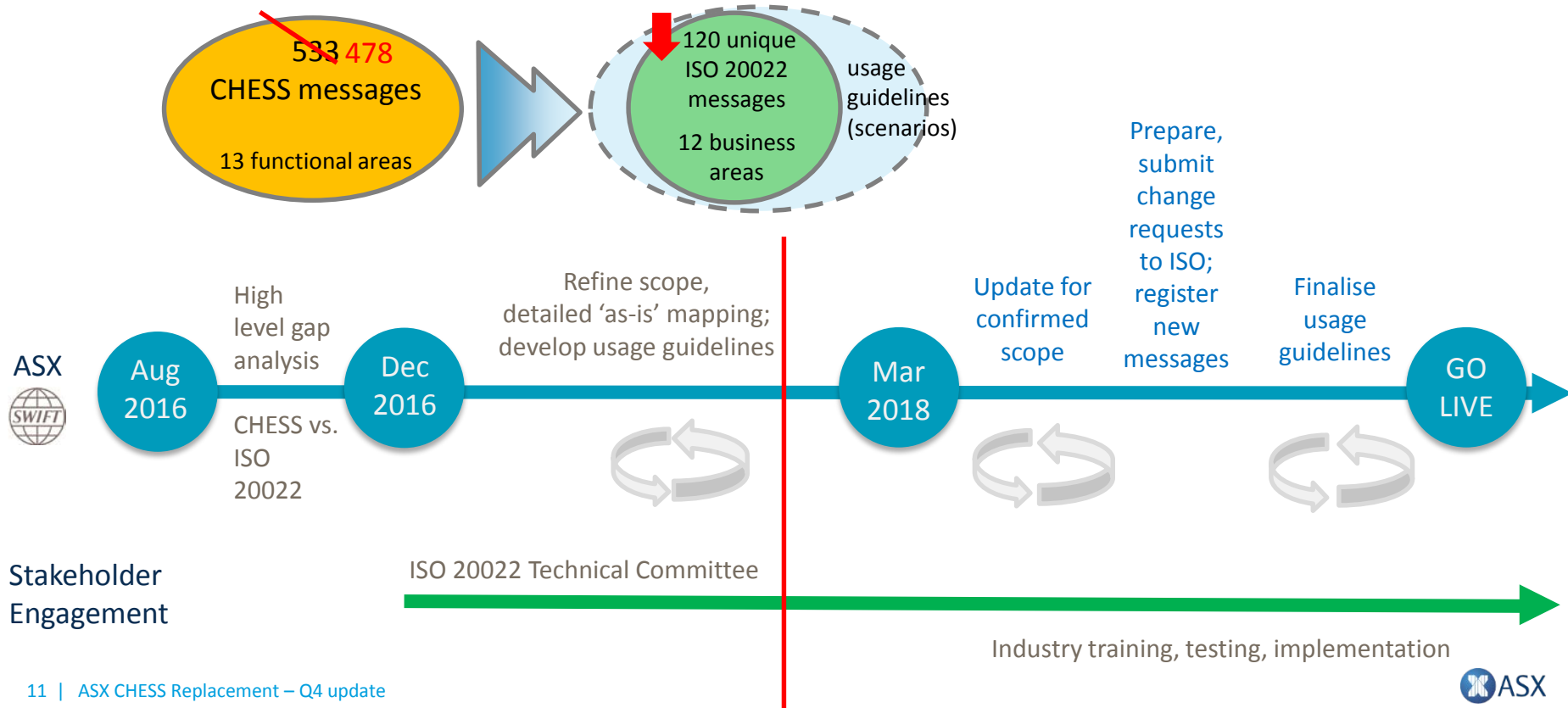
5 Non-Functional Requirements

Prioritisation of high level business requirements

- 26 organisation participated in ASX's online survey to prioritise the 40 functional business requirements identified by the Working Groups
- Respondents were asked to prioritise each business requirement according to whether it was of a high, medium or low priority, or not relevant to their organisation
- ASX has categorised each business requirement as to its level of support from the aggregated responses
- Key findings include:
 - A large number of corporate actions business requirements received a high level of support
 - Adopting a flexible account structure hierarchy, standardised registration details and a "self service" API enabling access to real-time data also received a high level of support
- This will provide another input into ASX's decision on 'Day 1' functional scope of the replacement system

ISO 20022 messaging

The ISO 20022 adoption process



ISO 20022 Technical Committee

- 9 meetings held since December 2016 – Sydney or Melbourne + webinar
- 59 draft usage guidelines reviewed by committee members - core clearing and settlement functionality
- Over 50 action items, with majority closed
- Local and international standards representation - ASX nominated to join
 - Standards Australia Committee– IT-005 Financial Transaction Systems (mirrors international ISO / TC68)
 - ISO 20022 Securities Standards Evaluation group (SEG)

What's next?

- December 2017 - Technical Committee member survey – effectiveness of committee process
- Detailed forward plan for 2018 to be determined, with input from member survey
- Next meeting scheduled for February 2018, additional matters for consideration
- Increasing emphasis on documentation, scope and message change review, finalising usage guidelines, upstream/downstream considerations, training, testing, registration

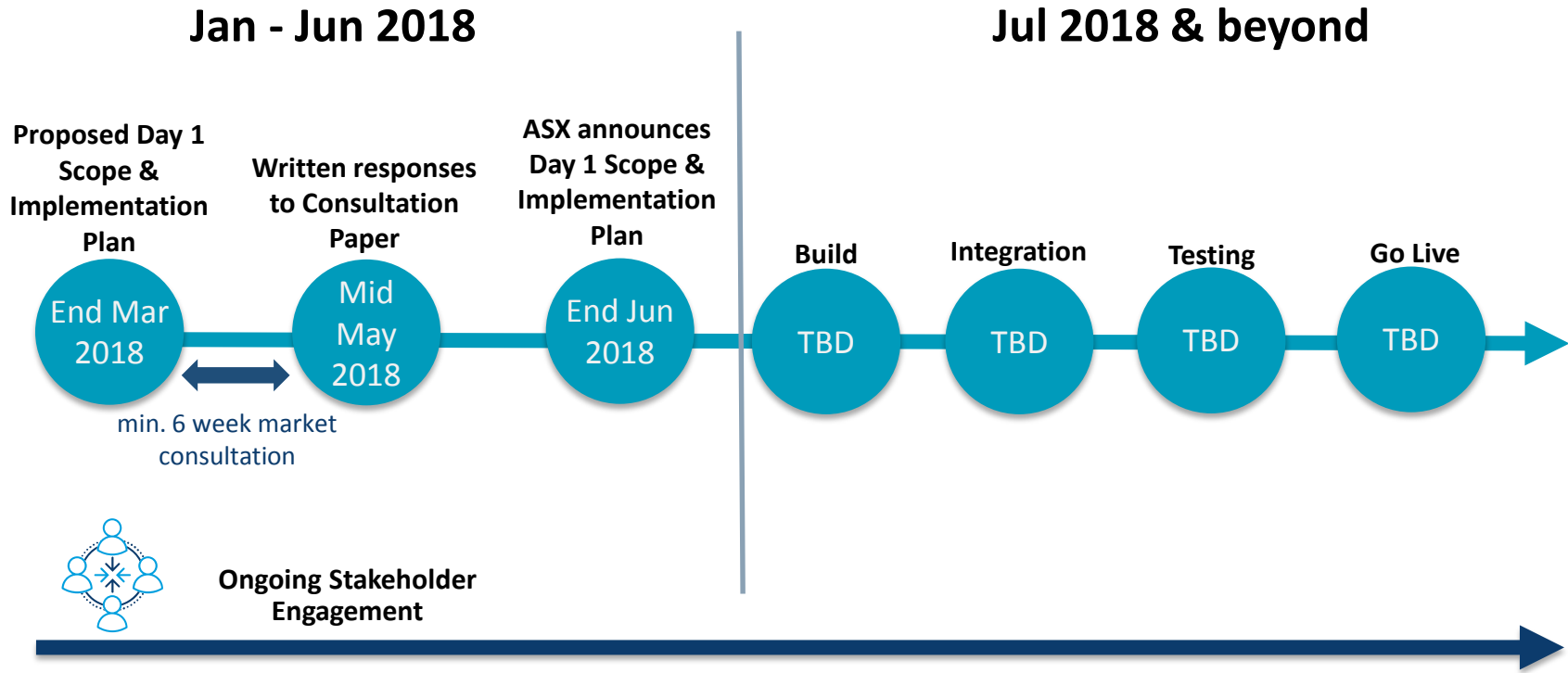
All ISO 20022 and Technical Committee material published on [CHES Replacement web page](#)

Distributed Ledger Technology Decision

Distributed Ledger Technology Decision

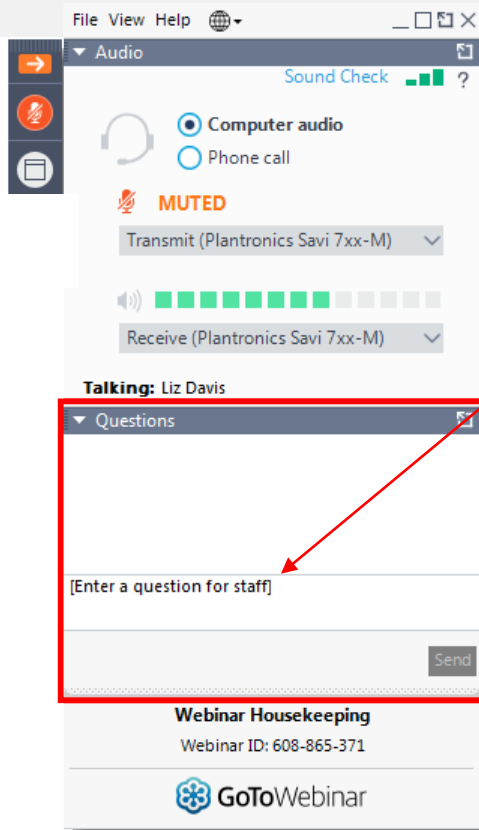
- ASX has announced its intention to replace CHESSE using Distributed Ledger Technology (DLT) developed by Digital Asset (DA)
- The new system will operate on a secure private network where participants are known, 'permissioned' to have access, and must comply with ongoing and enforceable obligations
- Customers will be able to connect in a similar way they do today, with the addition of using contemporary global ISO 20022 messaging, or directly with the distributed ledger
- This decision follows:
 - Successful build of enterprise-grade DLT software for core equity clearing and settlement functions
 - Completion of extensive suitability testing by ASX and DA over the past two years
 - 80 DLT system demonstrations to more than 500 attendees
 - 60 CHESSE Replacement workshops for more than 100 organisations
 - Two independent third party security reviews of DA's technology

Timeline



Q&A

How to submit questions



Your Participation

- To submit your text questions and comments use the Questions panel
- Note that your questions will not be seen by other attendees

For more information - refer to the webinar tips published on the ASX [CHESS Replacement web page](#)

Q&A submitted in advance

1. What is the timeframe for go-live and will the implementation of DLT be big bang or phased?
2. What were the biggest learnings from the stakeholder engagement working groups?
3. Is ASX using Bitcoin or other cryptocurrencies?
4. How can I find out more information about DLT?
5. Is ASX working with any organisation in setting a bourse world standard for the use of DLT?

Next Steps

Next steps and where to find more information

- Ongoing engagement throughout 2018 (e.g. quarterly webinars, ISO 20022 Technical Committee meetings, and DLT demonstrations)
- The presentation and recording of this webinar will be available on the CHES Replacement webpage shortly
- Next webinar will be around the time of releasing the consultation paper at end March 2018
- More information available on the ASX CHES Replacement website:
www.asx.com.au/chesreplacement
- Or email the ASX project team: CHESReplacement@asx.com.au

Thank you.